



Getting Started and Growing Your Small Business

I want to start a business but where do I begin?

Starting a business involves planning, making financial decisions, and completing a series of legal activities. The [Small Business Administration](#) (SBA) offers the following steps to start the process:

- **[Write a business plan](#)**. A business plan serves as a roadmap. Consider including key concepts such as the firm's mission, objectives, strategies, and action plan required to achieve the stated objectives. In addition, if you are seeking funding for your business, providing financial projections to back up your request will be critical.
- **[Conduct market research](#)**. You need to learn about your potential customers, competitors, and industry. Market research involves analyzing data to help you understand which products and services are in demand and how to be competitive.
- **[Choose a location](#)**. Most business owners choose a location that provides exposure to customers. Selecting a business-friendly location also involves looking at demographics, assessing your supply chain, scoping the competition, and understanding state laws and taxes.
- **[Finance your business](#)**. A variety of options are available for financing your small business, including traditional lending, government backed loans (such as the [SBA 7\(a\) program](#)), and [venture capital](#).
- **[Determine the legal structure of your business](#)**. The business structure you choose will have legal and tax implications. Decide which form of ownership is best suited for your business: sole proprietorship, partnership, Limited Liability Company (LLC), corporation, S corporation, nonprofit, or cooperative.
- **[Register your business](#)**. Choosing and registering your business name is an important step to legally operating. After you have selected a name, you may need to register with your state or local government agency.
- **[Determine your tax obligations](#)**. Federal tax obligations are determined by the form of business entity you establish. Similarly, the forms you use to report your taxes depend on how your business is organized. You will also have to comply with state and local tax laws. Register with your state and the Internal Revenue Service to obtain tax identification numbers, workers' compensation, unemployment, and disability insurance.
- **[Obtain business licenses and permits](#)**. If your business is involved in activities supervised and regulated by a federal agency you may need to obtain a federal license or permit. In addition, you will need to determine which general business permits, license, and registrations may be required by your state, county, or city.
- **[Hire and retain employees](#)**. When you are ready to [hire](#) employees for your business, learn about the responsibilities that employers have under employment and labor law.

- **Get training and assistance.** Take advantage of free training. Find courses offered through the SBA Learning Center at: <https://www.sba.gov/tools/sba-learning-center/search/training>. Local counseling and other assistance can be found at: <https://www.sba.gov/tools/local-assistance/districtoffices>.

I have a business but how do I grow it?

Choosing the proper steps to take to grow will depend on factors such as the type of business and available resources. SBA has provided the following ideas on ways to expand:

- **Develop a marketing plan.** A solid marketing plan includes everything from understanding your target market and competitive position to what tactics you intend to use to differentiate yourself from competition. See the [guiding principles of marketing](#) and [how to develop a marketing plan](#).
- **Win a government contract.** Federal, state, and local governments offer businesses the opportunity to sell products and services. Many agencies require that a percentage of procurements be set aside for small businesses. Learn how to get started as a contractor at: <https://www.sba.gov/contracting/getting-started-contractor>.
- **Expand globally.** With nearly 96 percent of consumers living outside the U.S. and two-thirds of the world's purchasing power in foreign countries, consider exporting to increase sales and profit. For six steps to help you begin, see: <https://www.sba.gov/managing-business/exporting/explore-exporting>.
- **Merge with or acquire another business.** Research companies that are similar to yours, or that have offerings that are complementary to yours, and consider the benefits of combining forces or acquiring another company.
- **Enhance your use of technology.** Understanding advanced technologies can help increase business efficiency and expand operations. Specifically, SBA provides resources on [eCommerce](#) and [online advertising](#).
- **License your product.** Licensing can be an effective, low-cost growth medium, particularly if you have a service or branded product. Licensing also minimizes your risk and is low cost compared to the price of starting your own company to produce and sell your brand or product. To find a licensing partner, start by researching companies that provide products or services similar to yours. Licensing professionals can help with product development, licensing agreements, and merchandising.
- **Diversify.** Diversifying allows you to have multiple streams of income that can often fill seasonal voids and increase sales and profit margins. Here are a few of the most common ways to diversify:
 - Sell complementary products or services;
 - Teach adult education or other types of classes;
 - Import or export yours or others' products;
 - Become a paid speaker or columnist.



Resources in the Small Business Community: Lending and Entrepreneurial Development

What are my options for obtaining capital to start or expand my business?

The SBA administers an array of [loan programs](#) to help businesses start, expand, and recover from disasters. Below are programs SBA offers to help your business succeed:

- [The 7\(a\) Loan Program](#) is SBA's primary business loan program, assisting small businesses to obtain financing when they are unable to obtain traditional credit.
- [The 504 Certified Development Company Program](#) provides long-term, fixed rate financing for businesses to acquire real estate, buildings, or heavy equipment and machinery.
- SBA's [Microloan Program](#) provides loans to non-profit intermediary lenders who in turn lend the funds in amounts of \$50,000 or less to the smallest of small businesses and start-ups.
- The [Small Business Investment Company \(SBIC\) Program](#) provides long-term loans and equity capital to high-growth start-up businesses.
- [The Community Advantage Program](#) is a pilot initiative intended to increase the number of SBA lenders making loans to underserved communities.
- SBA provides low interest, long-term loans through its [Disaster Loan Program](#) to businesses of all sizes, private non-profit organizations, homeowners, and renters. These loans can be used for physical and economic damage caused by a declared disaster.

Where do I go for business assistance?

The SBA operates a wide-range of programs designed to assist would-be and existing entrepreneurs.

- [Small Business Development Centers](#) (SBDCs) help entrepreneurs realize the dream of business ownership and help existing businesses remain competitive in a global marketplace.
- The [Service Corps of Retired Executives](#) (SCORE) program utilizes an expansive network of volunteers to provide business assistance to entrepreneurs.
- [Women's Business Centers](#) (WBCs) represent a national network of nearly 100 educational centers, which provide in-depth counseling, training and mentoring.
- [Veteran's Business Outreach Centers](#) (VBOCs) provide entrepreneurial development services such as business training, counseling and mentoring, and referrals for eligible veterans owning or considering starting a small business.
- [Procurement Technical Assistance Centers](#) (PTACs) provide local, in-person counseling and training to provide technical assistance to businesses that want to sell products and services to federal, state, and local governments.

- The [Program for Investment in Microentrepreneurs](#) (PRIME) program is one of the only federal programs that target very low-income entrepreneurs.
- [State Trade Expansion Program](#) (STEP) provides financial awards to state and territory governments to assist small businesses with export development.

I live in a rural area. Are there any programs designed to meet my unique needs?

- The [U.S. Farm Service Agency](#) administers a number of [loan programs](#) including the following:
 - [Beginning Farms and Rancher Loans](#) for farmers and ranchers unable to obtain credit from commercial credit sources.
 - [Commodity Loans/Marketing Assistance Loans](#) that provide interim financing at harvest time to meet cash flow needs without having to sell commodities when market prices are low.
 - [Microloans](#) for small, beginning, niche, and non-traditional farm operations.
- The [United States Department of Agriculture Rural Development](#) offers a wide variety of programs and services for small businesses. These include:
 - A [listing](#) of assistance programs, loan guarantees, and grants for specific rural industries.
 - The [Rural Business Investment Program](#) (RBIP) provides a Rural Business Investment Company (RBIC) license to newly formed venture capital organizations to help meet the equity capital investment needs in rural communities.
 - The [Rural Business Development Grants](#) (RBDG) is a competitive grant designed to support targeted technical assistance, training and other activities leading to the development or expansion of small and emerging private businesses in rural areas that have fewer than 50 employees and less than \$1 million in gross revenues.

I still have questions. What resources are available to help me?

The SBA has several tools available to assist small business develop and grow.

- [Disaster Center Offices](#) offer counseling and financial help to those who are rebuilding their homes and offices.
- The SBA's [Entrepreneurship Education](#) initiative provides assistance to high-growth small businesses in underserved communities through the Emerging Leaders, Accelerators, and other ScaleUp initiatives.
- SBA [District](#) and [Regional](#) Offices offer a wide range of assistance.



Opportunities for Young Entrepreneurs

I want to start a business, but I don't know the first thing about money. Where do I start?

The ability to make informed and effective decisions regarding your financial resources is critical not only to growing a small businesses, but to maintaining personal financial security. The following resources provide information on budgeting, spending, credit cards, taxes, student loans, saving, investing, and other personal finance topics. By mastering these skills early, you can build up your credit and prevent future obstacles to financing your business.

- [MyMoney.Gov](#) provides resources on key topics: earn, save and invest, protect, spend, and borrow.
- [Consumer Financial Protection Bureau](#) provides answers to common financial questions, including specialized sections for students, older Americans, and service members and veterans.
- [Investor.gov](#) provides investor basics, an introduction to the markets, and a guide to researching investments from the U.S. Securities and Exchange Commission.
- [360 Degrees of Financial Literacy](#) offers information and tools for different life stages and situations.
- [Smart About Money](#) provides resources on a wide range of money topics, including daily decision-making, emergencies, debt management, life transitions, and work and money.

I want to start a business, but first I need to grow my skills. What resources are available?

Whether you are seeking a college degree, career and technical education (CTE), or workforce training, new skills can be a critical asset to advancing in your career and growing your business.

- Applying for a post-secondary degree can be a daunting process. These guides help provide information on [available programs](#) and [financing options](#). Don't forget to apply for [federal student aid](#)—each year billions of federal aid dollars are left on the table.
- [CTE](#) is a term applied to schools, institutions, and educational programs that specialize in the skilled trades, applied sciences, modern technologies, and career preparation. CTE can be provided at the secondary or post-secondary level and are [state specific](#).

I want to start a business, but I can hardly afford my student loan payments. What can I do?

Determine if you have [private or federal student loans](#). If you took out federal student loans after 2010, your loan comes with special protections to ensure you can afford your loan payments and stay in good standing.

If you cannot afford to make a payment:

- [Change your due date](#). If you get paid after the day your loan payments are due you can call your loan servicer to change the monthly due date.
- **Change your payment plan.** Federal loans offer a variety of [repayment options](#), including [income-driven repayment plans](#). Use the [repayment estimator](#) to help you find the right plan.

- Temporarily postpone or lower your payments through [forbearance or deferment](#).
- **Consolidate your loans.** If you have multiple student loans, simplify the repayment process with a [Direct Consolidation Loan](#)—allowing you to combine all your federal student loans into one loan for one monthly payment.



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Winning Small Business Contracts and Grants

I want a federal contract. What do I need to know?

- There are major bodies of rules and regulations that govern the [federal contracting process](#). Both the government and contractors comply with the existing law—the **Federal Acquisition Regulation (FAR)** or **Defense Acquisition Regulation Supplement (DFARS)** in addition to agency specific rules.
- There are different contract types that all businesses can bid for:
 - Fixed-Price contracts as sealed bidding or negotiated
 - Cost-reimbursement contracts
 - [Small Business Subcontracting](#)
- More [steps](#) you need to take before you can bid on a contract.
 - Obtain a Dun & Bradstreet ([DUNS](#)) Number to identify the physical location of your business.
 - Register your business with the System of Award Management ([SAM](#)).
 - Find the NAICS Codes for Your Company [NAICS Code](#).
 - Obtain your Federal Tax Identification Number ([EIN](#)) and Standard Industrial Classification ([SIN](#)).
 - Obtain [Past Performance](#) Evaluations to include in your bid material and know which contracts you qualify for as an offeror.
- Contract opportunities are listed at the **Federal Business Opportunities** website ([FedBizOpps](#)) and in the **Federal Procurement Data System (FPDS)**. There are government-wide contracts, like the [GSA Schedules](#), available to contractors, allowing Federal agencies to choose from approved suppliers directly for products and some services.
- Contracting [resources](#) help businesses prepare proposals once they are all registered.
 - The SBA has prepared a [workbook](#) that walks through each step of preparing a proposal.
 - The SBA has **Procurement Center Representatives (PCR)** to assist small businesses in obtaining federal contracts through six Area Offices across the U.S. and its territories.
 - There are also **Commercial Market Representatives (CMR)** who are government contracting staff at the SBA stationed in area offices as well.
 - Many federal agencies have an **Office of Small and Disadvantaged Business Utilization (OSDBU)** or an **Office of Small Business Programs (OSBP)** to identify opportunities to incorporate small businesses as vendors to their agencies.

I'm certified to bid on government contracts, but are there any specific programs I should know about?

- The government-wide goal is at least 23% of federal contract dollars go to small businesses; at least 5% to women-owned small businesses and small disadvantaged businesses; and 3% to Historically Underutilized Business Zone (HUBZone) and service-disabled veteran-owned small businesses.
- There are also [Small Business Set-Asides](#) that limit competition for contracts to only eligible small businesses, depending on the category.
 - [Small Disadvantaged Business \(SDB\)](#)

- [Women-Owned Small Business](#) (WOSB)
- Small Disadvantaged Business [8\(A\)](#) Certified
- [Veteran-Owned Small Business](#) (VOSB)
- [Service Disabled Veteran-Owned Small Business](#) (SDVOSB)
- Historically Underutilized Business Zone ([HUBZONE](#))

I'm a small business but contracts don't fit my practice, can I still grow through government funding?

- In late 2013, the Office of Management and Budget (OMB) released new guidance on *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, which has been dubbed the "[Super Circular](#)" to simplify the grant process.
 - **Grants:** Used primarily when substantial involvement is not expected between the agency and the recipient when carrying out the contemplated activity. Search the [Catalog of Federal Domestic Assistance](#).
 - **Cooperative Agreements:** Used primarily when substantial involvement is expected between the agency and the recipient when carrying out the contemplated activity.
- If your small business is engaged in scientific research and development ([R&D](#)), you may qualify for federal grants under the Small Business Innovation Research ([SBIR](#)) and the Small Business Technology Transfer ([STTR](#)) programs.

I still have questions. What resources are available to help me?

The SBA has several tools to assist in the many stages of bidding for government contracts and grants.

- **[Surety Bonds](#)** - By law, contractors are required to procure surety bonds for any construction contract exceeding \$150,000. Thus, in order to help small businesses receive bonding, the SBA has a Surety Bond Guarantee Program in which the agency guarantees 70 to 90 percent of the bond in order to help small businesses obtain surety bonds.
- **[Mentor-Protégé Programs](#)** - This new program was established to develop strong protégé firms through mentor-provided business development assistance, and to help protégés successfully compete for government contracts.
- **Joint Ventures & Teaming** - Teaming allows small businesses to form a joint venture or partnership for a limited amount of time for the purpose of winning a contract. The limited scope of joint ventures has been important as it ensures that the businesses do not become affiliated.
- The **SBA's Non-Manufacturer Rule ([NMR](#))** allows a firm to qualify as a small business concern under a solicitation for the provision of manufactured products or other supplies as a "non-manufacturer" under certain conditions. SBA's regulations allow agencies and small businesses to avoid the constraints of the NMR when the procurement is for both supplies and services as the NMR only applies to procurements that have been assigned a manufacturing or supply NAICS code.
- **[Interagency Task Force](#)** on Federal Contracting Opportunities for Small Businesses to ensure there is a diversification of opportunities available to small businesses.
- General Contracting [Resources](#) from the SBA such as reporting fraud, waste, and abuse.



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Taxes for Small Business: Knowledge is Power

I want to start a business. What do I need to know?

- There are several types of **business structures** to choose from and that form will determine how you file your taxes. The most common forms are the [sole proprietorship](#), [limited liability company](#) (LLC), [corporation](#), [partnership](#), and [S corporation](#). For more information on finding the business structure most suited to your business, visit the SBA's website at: <https://www.sba.gov/starting-business/choose-your-business-structure>.
 - Knowing this information will help you select forms and track your deadlines.
 - It will also help you determine your tax year, the annual accounting method for recordkeeping and filing your returns. It will either be a calendar year or fiscal year.
- The form of business chosen will dictate the types of **business taxes** you pay and how you pay them.
 - All businesses must file an annual income tax or information return.
 - Business taxes include income tax, estimated tax, employment taxes, and self-employment taxes. To learn more, please visit: <https://www.irs.gov/businesses/small-businesses-self-employed/business-taxes>.
- Understand your **state and local tax** obligations. More information by state is located on the SBA's website at: <https://www.sba.gov/starting-business/filing-paying-taxes/determine-your-state-tax-obligations>.
- Obtain an **Employer Identification Number** (EIN). You can apply for one online using the [IRS EIN Assistant](#), by fax, or mail. For more on EINs, visit the IRS website at: <https://www.irs.gov/businesses/small-businesses-self-employed/employer-id-numbers-eins>.
- Good **recordkeeping** is critical to monitoring your business operations and preparing and supporting your tax returns. Generally, there is no required type of recordkeeping system or length of time to retain documents. However, you must be able to substantiate your tax returns in case of an audit. For more information, visit the IRS website at: <https://www.irs.gov/businesses/small-businesses-self-employed/recordkeeping>.
- If you have employees, you will need to collect, deposit, and report **employment taxes**. This includes withholding federal income tax and Social Security and Medicare taxes. Additional responsibilities include Federal Unemployment and self-employment taxes. More information can be found at: <https://www.irs.gov/businesses/small-businesses-self-employed/employment-taxes-2>.

I'm self-employed so what do I do?

Generally, you are required to file an annual tax return and pay estimated taxes quarterly. For more information, visit the IRS website at: <https://www.irs.gov/individuals/self-employed>.

- You must also pay a **self-employment tax** in addition to the income tax. The self-employment tax is the portion of Social Security (12.4% and Medicare taxes (2.9%) and applies up to the first \$118,500 of earnings for 2016. The employer-equivalent portion can be deducted when figuring the adjusted gross income for income tax purposes.

- Paying quarterly **estimated taxes** can be done online, by mail, or over the phone and the due date is determined by your tax year (calendar or fiscal year).

I still have questions. What resources are available to help me?

The IRS has several tools available to assist in the many stages of a business – from starting, operating, and closing a business.

- They have a [Tax Calendar](#) for business owners to view due dates and possible actions to be taken each month. It even has reminders and an importing capabilities, making it easier to keep up with important dates.
- The IRS has a [Small Business and Self-Employed Tax Center](#) on its website that provides many useful tools to answer all your questions.
- To help supplement the IRS Small Business and Self-Employed Tax Center, the IRS has created a [Small Business Taxes Virtual Workshop](#) with 9 important lessons for your business.

What are some common business deductions?

- Section 179 expensing and bonus depreciation
- Work Opportunity Tax Credit
- Research and Development (R&D) Tax
- Home Office
- Business costs (office supplies, utilities, business property rent, advertising and marketing)
- Mileage, inventory, bad debt, interest on loans
- Start-up costs
- Travel, meals, entertainment, and gifts
- Employee, independent contractor, and legal and professional costs
- Employee benefit programs (insurance premiums and retirement contributions)

Did you know?

If you owe money to the IRS and have difficulty making payments, you can take action to avoid interest, penalties, and tax liens. The IRS started the Fresh Start program to make it easier for taxpayers to work with the IRS.

- [Tax Liens](#): The IRS won't file a tax lien against a taxpayer unless they owe more than \$10,000 in most cases. Taxpayers also have more rights for withdrawing a tax lien under certain circumstances.
- [Installment Agreements](#): Taxpayers who owe up to \$50,000 can now pay through monthly direct debit payments for up to 72 months (6 years).
- [Offers in Compromise](#): An Offer in Compromise is an agreement that allows taxpayers to settle their tax debt for less than the full amount. The IRS now has more flexibility when analyzing a taxpayer's ability to pay, making the offer program available to a larger group of taxpayers. Generally, the IRS will accept an offer if it represents the most the agency can expect to collect within a reasonable period of time. The IRS looks at several factors, including the taxpayer's income and assets, to make a decision regarding the taxpayer's ability to pay.

If you need more help, the [Taxpayer Advocate Service](#) is an independent organization within the IRS to help protect taxpayer rights and help you resolve tax problems you can't resolve on your own.



How to Expand into New Markets

I want to import but what does that entail?

- **Conduct market research.** The [U.S. Census Bureau](#) provides detailed statistics on goods and estimates of services entering the country from foreign countries. The Small Business Administration (SBA) provides a [resource guide](#) for importing agricultural products, automobiles, chemicals, defense products, food/beverage products, industrial goods, or pharmaceutical goods.
- **Review import laws and trade barriers.** First, be sure to check U.S. trade barriers and laws within the country of origin to ensure you can legally export your goods. Some countries have more stringent quality controls, while others restrict some items for export. Particular care should be made when importing agricultural products. SBA provides more information here: <https://www.sba.gov/offices/headquarters/oit/resources/14324>.
- **Build relationships and networks in the export country.** You will want to meet the producer or distributor of the product you will be selling. Try to establish whether the company you're dealing with has export experience. SBA's [Doing Business Abroad](#) guide can help you plan your trip.
- **Consider hiring a customs broker.** A licensed customs broker can help you navigate laws and regulations that apply to your transaction, including licenses, taxes, and duty fees.
 - You can search for certified customs brokers at the [National Customs Brokers and Forwarders Association of America](#). For international brokers visit the [International Federation of Customs Brokers Associations](#).
- **Check license or permit requirements.** Many [imported and exported](#) products are regulated by federal agencies and require specific licenses and permits or additional paperwork.
- **Get assistance and training.** The federal government provides a wide array of resources.
 - [Small Business Development Centers \(SBDC\)](#)
 - [SCORE](#)
 - [U.S. Customs and Border Protection \(CBP\) Contacts](#)
 - [International Trade Administration \(ITA\) Services](#)

What about exporting?

Federal agencies provide a wide range of resources to help U.S. businesses that are currently exporting or looking to export for the first time, some of which have special mandates for assisting small businesses.

- [U.S. Export Assistance Centers](#) offer trade counseling, market intelligence, business matchmaking, and other services. Many also house representatives from the SBA and the Export-Import (Ex-Im) Bank that can help small businesses obtain export financing.
- The [SBA](#) and [Ex-Im Bank](#) have programs to help you obtain financing.

- If you have a specific problem or face a foreign trade barrier, the [SBA Office of International Trade](#) has services to help resolve the problem: Call toll free: (855) 722-4877 or send an email to international@sba.gov with your name, company name, mailing address, and phone number, as well as a brief description of the export problem or challenge you are encountering.

How do I create an online presence?

The Internet is leveling the playing field by allowing small and medium-size companies to compete with large companies on the global market. Whether you are a consumer or a business-to-business resource, some of the most efficient marketing and selling tools are available by going online.

- [SBA's E-commerce](#) resources can help you get started with everything from sales strategy and operation, to marketing and compliance.

After Exploring the benefits of e-commerce, don't forget to protect online information against cyber threats. SBA and other federal agencies provide resources and guides for safeguarding your information.

- **Toolkit for small and midsize businesses - [C3 Voluntary Program](#).** The Department of Homeland Security (DHS) and its partners have established a Critical Infrastructure Cyber Community (C3) Voluntary Program to help educate business owners about cybersecurity. For additional tools and resources for small employers, visit: <http://www.dhs.gov/publication/stopthinkconnect-small-business-resources>.
- **Small Biz Cyber Planner.** The Federal Communications Commission (FCC), in collaboration with other government agencies and industry leaders, created the [Small Biz Cyber Planner](#).
- **SBA Online Course: Cyber Security for Small Businesses.** [Cyber Security for Small Businesses](#) will help you learn more about the security principles you should keep in mind when online, as well as the ways you can protect your information and networks in case of a cyberattack. For in-person assistance, visit your local [SBA office or mentor](#).
- **Cyber Resilience Review (CRR) assessment tool.** Developed by DHS, this no-cost, voluntary [CRR assessment tool](#) helps businesses assess their information technology resilience.
- **Cybersecurity Advisors (CSAs).** CSAs are regionally-located DHS personnel who offer immediate and sustained cybersecurity assistance to prepare and protect organizations, including small and mid-sized businesses. For more information about CSAs, please email cyberadvisor@hq.dhs.gov.
- **Cyber Security Tips.** Many federal agencies have a role in assisting and providing tips and best practices for small businesses cybersecurity needs, including [SBA](#), [FCC](#), and [DHS](#).